

RONALD K. STOUT  
940 N. RED ROCK RD.  
ST. GEORGE, UTAH 84770  
(435) 673-6662 (H)  
(435) 680-6662 (C)  
(435) 634-1399 (F)

CC: Doug  
S/053/073

July 16, 2006

State of Utah  
Dept. of Natural Resources  
Attn: Doug Jensen  
1594 W. North Temple, Suite 1210  
Salt Lake City, UT 84114-5801

Dear Mr. Jensen:

In response to a letter dated 6/8/06, with a subject "Requirement to Post Reclamation Bond"; and pursuant to our telephone conversation, I am sending this letter to request that my property be taken off the records of the Department of Natural Resources, Division of Oil and Gas as a mine. We are very close to the stage where we will be finishing our development. Since we are developing this property, there will be no reclamation needed. Please find enclosed the preliminary layout of the road and layout of our development you requested.

I also received an annual permit fee billing. I have not forwarded payment based on the above information. Can you see to it that the billing is voided and the steps are taken to avoid future bills and to remove us from mine status so no further correspondence with your department is required?

Sincerely,

*Ronald K. Stout*  
Ronald K. Stout

RECEIVED  
JUL 19 2006  
DIV. OF OIL, GAS & MINING